UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS TX 75202-2733

June 15, 2016

Jim Thompson
Port Arthur LNG, LLC
2925 Briarpark Dr., Suite 900
Houston, TX 77042

Dear Mr. Thompson:

We would like to offer comments on Draft Environmental Resource Report 2 (Water Use and Quality) for the Port Arthur LNG Liquifaction and Pipeline Project. Port Arthur LNG, LLC (PALNG) is requesting authorization from the Federal Energy Regulatory Commission (FERC) to site, construct, and operate natural gas liquefaction facilities and a liquefied natural gas (LNG) export terminal under Section 3(a) of the Natural Gas Act.

The following comments are being provided for Port Arthur LNG's use in developing information to submit to FERC for their use in developing the Environmental Impact Statement (EIS) for compliance with the National Environmental Policy Act (NEPA). Our comments also relate to future efforts to address compliance with EPA's *404(b)(1) Guidelines for the Specification of Disposal Sites for Dredged or Fill Material* (40 CFR Part 230). We are particularly concerned with the following issues:

1. We are not yet convinced that Draft Resource Report 2 adequately addresses the requirements of the Clean Water Act Section 404(b)(1) Guidelines (Guidelines).
    a. In particular, it is not clear that the alternatives analysis was conducted to meet the requirements of the Guidelines. The requirements of the Guidelines for alternatives analysis are slightly different than those for NEPA. The Guidelines require that impacts to aquatic habitats are a major criterion in the analysis, and the preferred alternative must be the Least Environmentally Damaging Practicable Alternative (LEDPA) with the environment of concern being the aquatic environment.
    b. As part of this, the Guidelines also require that it be demonstrated that concrete efforts to avoid and minimize impacts to aquatic habitats have been made. Currently, Resource Report 2 only includes broad, general comments that Port Arthur LNG will meet this requirement. No documentation is provided to demonstrate that these requirements have been met, or will be met.
    c. We recommend that Report 2 be revised to address the above concerns.

2. The report does not include a wetlands delineation. We request that a recent wetland delineation be provided for review.

3. Draft Resource Report 2 does not provide any estimates of the acreages of impacts to aquatic habitats. While draft statements of the magnitudes of impacts are included in the report, all acreage estimates are replaced with an "X". We recommend Resource Report 2 be revised to include actual acreage estimates of all impacts to aquatic resources.

4. The report does not include an assessment of functions or values of wetlands that will be impacted, and those of proposed mitigation wetlands. Note that it will be particularly important for this proposed project to address the implications of possible differences in the likely future coastal land loss rates, between the impacted wetlands, and the proposed mitigation wetlands.

5. A draft mitigation plan has not been provided for review. We strongly recommend that one be provided for review as soon as possible, and no later than the Draft Environmental Impact Statement (DEIS). Currently, Draft Resource Report 2 only commits to providing a mitigation plan during the Clean Water Act Section 404 permit application review.

6. The data on contaminant concentrations of soil proposed to be dredged and disposed of in the aquatic environment, for use in marsh creation, as compensatory mitigation for the aquatic impacts of the proposed project, has several problems:
    a. The data is twelve years old.
    b. The samples were analyzed for a limited suite of contaminants.
    c. Elutriate analysis was not conducted.
    d. Information required to determine whether the data is of sufficient quality for the decisions that need to be made, was not provided.
    e. P. 7; Conclusions: Contamination from nearby industries does not qualify as "naturally occurring" or "background". As per the ITM however, it is appropriate to compare the concentrations of contaminants in dredged material to those of reference sediments appropriate for the proposed disposal area. That requires selection of an appropriate reference and comparison of contaminant test results however.

    Therefore, we recommend that soils and/or sediments proposed to be dredged and disposed of in the aquatic environment, including any that are proposed to be disposed of in upland confined disposal facilities, should be resampled, and those samples analyzed for a longer list of contaminants that can be found in the enclosure to this letter. Ideally, the applicant will provide the USACE, TCEQ, and EPA with a draft sampling and analysis plan, drafted using the ITM and other appropriate dredged material testing guidance. Results of sampling and analysis should be provided to the USACE, TCEQ, and EPA no later than the DEIS, and preferably sooner, for review and comment by EPA and other interested agencies. Note that the results will have important implications for the proposed mitigation. Note also that planning, sampling, and analysis will require considerable time. We recommend using the Inland Testing Manual as guidance for these efforts. We also recommend great care in the specification of laboratory analyses

and data quality requirements. Dredged material testing data meet minimum requirements to support use of the data for the required decision-making.

Thank you for the opportunity to review and comment on this Draft Resource Report. If you have any questions on these comments, please contact Ken Teague of my staff at 214-665-6687.

Sincerely yours,

Maria L. Martinez
Chief
Wetlands Section

Enclosure

cc: Felicity Dodson, USACE
David Hanobic, FERC
Winston Denton, TPWD
Rusty Swafford, NOAA Fisheries
David Hoth, USFWS
Leslie Savage, TRRC
TCEQ
Keith Hayden, EPA Region 6

Enclosure

Contaminants of Concern and Conventional Parameters (Sediment)

METALS	**VOLATILE & SEMIVOLATILE ORGANICS**	**PESTICIDES/PCBs/ DIOXINS AND FURANS**
Arsenic (Total)	Acenaphthene	Chlordane
Cadmium (Total)	Acenaphthylene	4,4'-DDT
Chromium (Total)	Anthracene	4,4'-DDE
Copper (Total)	Benz(a)anthracene	4,4'-DDD
Lead (Total)	Benzo(a)pyrene	Dieldrin
Mercury (Total)	Chrysene	Total PCBs
Nickel (Total)	Dibenz (a,h) anthracene	Dioxins & furans
Silver (Total)	Fluoranthene	
Zinc (Total)	Fluorene	
	Methyl naphthalene, 2-	
CONVENTIONAL PARAMETERS	Naphthalene	
Grain Size	Phenanthrene	
TOC	Pyrene	
Percent Solids		
Cyanide		

Contaminants of Concern-Elutriate/Water

METALS	**VOLATILE & SEMIVOLATILE ORGANICS**	**PESTICIDES/PCBs/ DIOXINS&FURANS**
Arsenic (dissolved)	Acrylonitrile	Aldrin
Antimony (dissolved)	Benzene	Alpha-BHC
Cadmium (dissolved)	Benzidine	Beta-BHC
Chromium (hex, dissolved)	Benzo(a)anthracene	Gamma-BHC (Lindane)
Copper (dissolved)	Benzo(a)pyrene	Delta-BHC
Lead (dissolved)	Bis(2-chloroethyl)ether	Chlordane
Mercury (Total)	Bis(2-ethylhexyl) phthalate	4,4'-DDT
Nickel (dissolved)	Bromodichloromethane	4,4'-DDE
Silver (as free ion)	Bromoform	4,4'-DDD
Zinc (dissolved)	Carbon tetrachloride	Danitol
TBT (dissolved)	Chlorobenzene	Dicofol
Thallium (dissolved)	Chlorodibromomethane	Dieldrin
CONVENTIONAL PARAMETERS	Chloroform	Endrin
Cyanide (free)	Chrysene	Heptachlor
	Cresols	Heptachlor epoxide (BHC-hexachlorocyclohexane)
	1,2-Dibromoethane	Toxaphene
	m-Dichlorobenzene	2,4,5- TP (Silvex)
	1,2-Dichlorobenzene	Total PCBs
	1,3-Dichlorobenzene	
	1,4-Dichlorobenzene	
	3,3'-Dichlorobenzidine	
	1,2-Dichloroethane	
	1,1-Dichloroethylene	
	1,2-Dichloropropane	
	1,3-Dichloropropene	
	2,4-Dimethylphenol	
	Di-n-Butyl Phthalate	
	Ethylbenzene	
	Hexachlorobenzene	
	Hexachlorobutadiene	
	Hexachloroethane	
	Hexachlorophene	
	Methoxychlor	
	Methyl Ethyl Ketone	
	N-Nitrosodiethylamine	
	N-Nitroso-di-*n*-Butylamine	
	Nitrobenzene	
	Pentachlorobenzene	
	Pentachlorophenol	
	Pyridine	
	1,2,4,5-Tetrachlorobenzene	
	1,1,2,2-Tetrachloroethane	
	Tetrachloroethylene	
	1,1,1-Trichloroethane	

	1,1,2-Trichloroethane Trichloroethylene Vinyl chloride 2,4,5-Trichloropheno	